



**DEPARTMENT OF INSURANCE
STATE OF ARIZONA**

2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7269
Phone: (602) 364-3998
Fax: (602) 364-3989

NONRESIDENT SURPLUS LINES BROKER WITHOUT ARIZONA SURPLUS LINES LICENSE

**STATEMENT FILING AND TAX PAYMENT INSTRUCTIONS FOR THE ARIZONA PORTION
OF A MULTI-STATE SURPLUS LINES TRANSACTION**

A.R.S. §§ 20-411.02(C) and 20-416(C)

Please note that, effective June 2005, the Lines of Business descriptions in Page 2 of Form E-159MS have been revised to conform to the descriptions utilized by the Surplus Lines Association of Arizona.

- A) WHO MUST FILE:** An individual person, firm or corporation, that
- Is licensed as a surplus lines broker license in another state, and
 - **Does not hold an Arizona Surplus Lines license, and**
 - Procures surplus lines insurance in another state, of which **50% or less of the exposure is allocable to Arizona**
- must complete this statement and remit the tax due in accordance with A.R.S. §§ 20-411.02(C) and 20-416(C).

- B) HOW TO COMPLETE FORM E-159MS:** The following must be included to comply with the reporting and tax remittance requirement:

- 1) Complete the top portion** of Form E-159MS, including state of residence, state of residence license number, name as shown on resident license, mailing address, telephone & fax numbers and e-mail address. Please also provide the Arizona Non-Resident Producer License number, if applicable.
- 2) Enter the Reporting Period** in the space provided. Semi-annual reporting periods are January 1 through June 30 and July 1 through December 31. Enter the last day of the applicable reporting period INCLUDING the calendar year based upon the policy effective date or cancellation effective date of the transaction(s) being reported. **For example, for a policy effective date in July of 2005, please enter 12/31/05 as the Reporting Period.**
- 3) Fill in all spaces in the statement.** DO NOT round numbers. Enter "0" or "NONE" in all spaces where applicable. DO NOT file a BLANK Statement, as it will not fulfill the reporting requirement. **Taxable premiums include all fees paid by the insured in addition to the premium.**
- 4) The FIRE PORTION OF NET PREMIUMS must be provided** to enable the Department to allocate fire premium tax revenues to the Fire Fighters Relief and Pension Fund. **It is the filing broker's responsibility to determine the portion of the premium that is attributable to fire coverage.** If necessary, please consult the underwriting manager(s) or insurer(s) for their recommendation as to a reasonable percentage or amount which represents the portion of the total premium that is attributable to fire insurance coverage for policies issued.
- 5) Attachments**, such as a copy of the policy declarations page, a copy of the invoice of premium and all fees, or a schedule prepared by the broker presenting the total premium, fees, etc. charged to the insured and allocation of the premium and tax amounts to all applicable states, are requested. **Enter the number of pages for all attachments in the box provided** at the bottom of the form.
- 6) The TAX PAYMENT must be payable to the Arizona Department of Insurance and must accompany the report** Form E-159MS. **DO NOT SEND REPORTS AND CHECKS SEPARATELY.**

- C) DUE DATES: BE SURE TO ENTER THE REPORTING PERIOD AS INSTRUCTED in B.2. ABOVE**

Pursuant to A.R.S. § 20-415, the due dates of the Statement and tax payment are:

September 1st for the Reporting Period of January 1 through June 30

March 1st for the Reporting Period of July 1 through December 31

Please call the Tax Unit at (602) 364-3998 for assistance.